IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO. 604 OF 1998

The Commissioner of Income-tax. ... Applicant.
V/s.
M/s.Nanavati & Co.P.Ltd. ... Respondent.

A.S.Rao for the Applicant.

CORAM : V.C.DAGA AND J.P.DEVADHAR, JJ.

DATED : 29th March, 2005.

P.C. :

. Heard learned counsel for the applicant.

The tribunal has referred following question for the

opinion of this Court:

> "Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the amount of subsidy received by the assessee was not liable to be deducted from the cost of the plant and machinery for the purpose of computing depreciation and investment allowance?

2. The above question has already been answered

by the Apex Court in the case of **C.I.T. v. P.J.Chemicals Ltd.**, (1994) 210 ITR 830 (SC) and

Division Bench of this Court in the case of **C.I.T. v. Menezes Farmaco**, (1999) 236 ITR (Bom) in favour

of assessee. In this view of the matter, the

question referred is answered in affirmative.

. Reference stands disposed of accordingly

with no order as to costs.

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